



House of Representatives

General Assembly

File No. 557

January Session, 2007

Substitute House Bill No. 7332

House of Representatives, April 23, 2007

The Committee on Finance, Revenue and Bonding reported through REP. STAPLES of the 96th Dist., Chairperson of the Committee on the part of the House, that the substitute bill ought to pass.

AN ACT ELIMINATING THE SUNSET DATE ON THE PROPERTY TAX EXEMPTION FOR SOLAR ENERGY SYSTEMS.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Subsection (a) of subdivision (56) of section 12-81 of the
2 general statutes is repealed and the following is substituted in lieu
3 thereof (*Effective July 1, 2007*):

4 (a) Subject to authorization of the exemption by ordinance in any
5 municipality, any building, the construction of which is commenced
6 on or after October 1, 1976, [and before October 1, 2006,] which is
7 equipped with an active solar energy heating or cooling system, or any
8 building to which a solar energy heating or cooling system is added on
9 or after October 1, 1976, [and before October 1, 2006,] to the extent of
10 the amount by which the assessed valuation of such real property
11 equipped with such solar heating or cooling system exceeds the
12 assessed valuation of such real property equipped with the
13 conventional portion of the heating or cooling system, exclusive of any

14 portion of such system related to solar energy, provided this
 15 exemption shall only apply to the first fifteen assessment years
 16 following construction of such building or addition of any such system
 17 to a building.

18 Sec. 2. Subsection (a) of subdivision (62) of section 12-81 of the
 19 general statutes is repealed and the following is substituted in lieu
 20 thereof (*Effective July 1, 2007*):

21 (a) Subject to authorization of the exemption by ordinance in any
 22 municipality, any building, the construction of which is commenced
 23 on or after April 20, 1977, [and before October 1, 2006,] which is
 24 equipped with a passive or hybrid solar energy heating or cooling
 25 system, or any building to which such a system is added on or after
 26 April 20, 1977, [and before October 1, 2006,] to the extent of any
 27 amount by which the assessed valuation of such real property
 28 equipped with such a system exceeds the valuation at which such real
 29 property would be assessed if built using conventional construction
 30 techniques in lieu of construction related to such a system, as
 31 determined by the assessing officer of the municipality, provided this
 32 exemption shall only apply to the first fifteen assessment years
 33 following construction of such building or addition of any such system
 34 to a building. Any portion of a hybrid solar energy heating or cooling
 35 system which is allowed an exemption under subdivision (56) of this
 36 section, as amended by this act, shall not be eligible for exemption
 37 under this subdivision.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>July 1, 2007</i>	12-81(56)(a)
Sec. 2	<i>July 1, 2007</i>	12-81(62)(a)

FIN *Joint Favorable Subst.*

The following fiscal impact statement and bill analysis are prepared for the benefit of members of the General Assembly, solely for the purpose of information, summarization, and explanation, and do not represent the intent of the General Assembly or either chamber thereof for any purpose:

OFA Fiscal Note

State Impact: None

Municipal Impact:

Municipalities	Effect	FY 08 \$	FY 09 \$
Various Municipalities	Revenue Impact	Potential	Potential

Explanation

The bill eliminates the sunset dates for property tax exemptions related to active and passive solar energy systems. Municipalities electing to extend these exemptions will preclude a gain to their net grand list (assessed value less exemptions permitted under state law) and have to accommodate this when setting their annual mill rate.

The Out Years

State Impact: None

Municipal Impact:

Municipalities	Effect	FY 10 \$	FY 11 \$	FY 12 \$
Various Municipalities	Revenue Impact	Potential	Potential	Potential

OLR Bill Analysis**sHB 7332*****AN ACT ELIMINATING THE SUNSET DATE ON THE PROPERTY TAX EXEMPTION FOR SOLAR ENERGY SYSTEMS.*****SUMMARY:**

Municipalities by ordinance, may, exempt active, passive, and hybrid solar energy heating and cooling systems from property taxes for 15 years after they are installed. Such exemptions are currently allowed only for (1) active systems installed on or after October 1, 1976 and before October 1, 2006 and (2) passive and hybrid systems installed on or after April 20, 1977 and before October 1, 2006. The bill eliminates the October 1, 2006 expiration dates, thus allowing more recently installed systems to be eligible for exemptions.

The exemption applies to the difference between what the assessed valuation of the property would be with a conventional heating and cooling system and what it is when equipped with a solar system.

EFFECTIVE DATE: July 1, 2007

COMMITTEE ACTION

Finance, Revenue and Bonding Committee

Joint Favorable Substitute

Yea 53 Nay 0 (04/05/2007)